

INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE

Report No.:ISDSA17619

Date ISDS Prepared/Updated: 02-Aug-2017

Date ISDS Approved/Disclosed: 03-Aug-2017

I. BASIC INFORMATION

1. Basic Project Data

Country:	China	Project ID:	P147009
Project Name:	Jiangxi Farm Produce Distribution System Development (P147009)		
Task Team Leader(s):	Xiaolan Wang		
Estimated Appraisal Date:	03-Jan-2017	Estimated Board Date:	14-Dec-2017
Managing Unit:	GFA02	Financing Instrument:	Investment Project Financing
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00(Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	198.28	Total Bank Financing:	150.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			48.28
International Bank for Reconstruction and Development			150.00
Total			198.28
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective (PDO) is to improve the distribution system of selected farm products in participating counties of Jiangxi.

3. Project Description

The proposed project comprises four components, which are summarized below. A detailed project description is provided in Annex 2 of the PAD.

Component 1: Strengthening Production Logistics (US\$38.46 million. IBRD: US\$38.46 million)

This component aims to increase efficiency and productivity of production logistics and farm systems, including the integration of systems to collect, sort, package, and store agricultural products. It aims to enhance farmer coordination through supporting farmer cooperatives and help expanding the scale of operation to better

coordinate the flow of goods. It will also improve post-harvest handling of farm products to improve efficiency, add value and minimize handling exposure of products to avoid damage and loss. Activities to be financed under this component include (a) small sub-grants to farmer cooperatives for purchase of trading booth equipment/tools (i.e. computers, printers, office furniture) to do business in the newly constructed/rehabilitated markets/distribution centers; technical assistance to address emerging issues constraining farmer cooperatives access to markets; supporting farm produce certification, trademark registrations and geographic identification producing marks; supporting E-commerce development and Village Farmer Information Hub (VFIH) establishment; and training to improve the business competency of farmer cooperatives; and (b) sub-loans to farmer cooperatives for improved post-harvest handling facilities at producer level (product collection, sorting/grading, storage, washing, labeling, and packing/packaging) to improve efficiency and reduce post harvesting loss.

Component 2: Improving Distribution Logistics (US\$140.25 million. IBRD: US\$96.06 million)

This component will improve the physical structures, services and management systems of the farm produce markets/distribution centers to increase their efficiency, provide value added benefits and reduce waste of farm produce. Activities to be financed under this component include (a) development of market infrastructure to rehabilitate existing market infrastructure and build new market/distribution infrastructure including trading stores, halls, and sheds; processing workshops and warehouses; cold/cool chain storage; service and trading buildings; logistics and office equipment; equipment for processing, sorting, packaging, testing product quality and safety; weighbridges, forklifts and vehicles to transport farm produce; electronic settlement devices and a farm product traceability system; and (b) setting up a market information system consisting of market/distribution center monitoring, operating and management; information collection and disclosure; food safety tracing; and transaction management. The market information system would also include a County Operations and Service Center (COSC) for E-commerce at each market/distribution center. This COSC will be the connecting point of the e-commerce households, VFIHs, the e-trading/electronic settlement system, and the provincial information platform.

Component 3: Support Services for the Whole Distribution System (US\$0.45 million. IBRD: US\$0.45 million)

This component will provide support services to the whole distribution system. Activities to be financed under this component include technical assistance for (a) supporting special research on provincial farm product distribution system and development of a provincial strategic planning for provincial farm product distribution system; and (b) providing market management training for traders, vendors, processors, e-commerce operators, staff and management of the markets/distribution centers.

Component 4: Project Management, Monitoring and Evaluation (US\$5.18 million. IBRD: US\$1.08 million)

The purpose of this component is to provide support for Project implementing agencies at both provincial and county levels to manage, implement, supervise and monitor Project activities and progress. Activities to be financed under this component include (a) Project management and capacity building (training and study tours) for Project Management Office (PMO) staff, and support for consultant services; and (b) monitoring and evaluation (M&E) of Project physical and financial progress, Project impacts, and environmental and social safeguards compliance. The on-going Project monitoring will be conducted by the PMOs for Project physical and financial progress. Independent M&E institution(s) will be recruited to conduct the other monitoring at Project start-up, Project mid-term and Project completion.

4. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The proposed project will be located in up to 8 counties/cities in Jinagxi Province, i.e. Taihe County, Huichang

County, Longnan County, Economic Development District of Jiujiang Municipality, Pengze County, Anyuan District, Jingan County, and Yushan County. The proposed physical investments mainly include the improvement or construction of eight farm produce markets/distribution centers in Jiangxi Province. These markets/centers are located in peri-urban areas close to roads which have been heavily influenced by human activities. The sites will be in the construction land which has been leveled (See more detail in EMP).

5. Environmental and Social Safeguards Specialists on the Team

Feng Ji, Social Safeguards Specialist

Meixiang Zhou, Social Safeguards Specialist

6. Safeguard Policies That Might Apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The proposed physical investments mainly include the improvement or construction of 8 farm produce markets/distribution centers in Jiangxi Province (under Component II). The markets will include trading buildings, processing workshops (e.g. classification and packaging), and service buildings etc. There will be adverse impacts associated with the markets: (i) general construction-related impacts such as disposal of spoil, nuisance of dust, noise, wastewater, and disturbance to traffic etc.; and (ii) adverse impacts during operation including disposal of waste and wastewater generated at the markets, increased traffic, and fire safety issues etc. As such, Environmental Assessment (OP4.01) is triggered. An EMP has been prepared for these produce markets/distribution centers. In addition, the project may include some small investments (such as post-harvest handling through provisions of investments for farmer cooperatives to collect, sort, store, package, label farm produce, and for farm produce processing) which are not known during project preparation. These activities may involve small scale civil work. As such, an EMF and RPF have been prepared for these activities to be identified during implementation. In addition, a social assessment report has been prepared for the project (see Section II.A (4) for detail).
Natural Habitats OP/BP 4.04	No	The project is mainly in the urban and peri-urban areas which have been disturbed by intensive human activities. The project will not convert, degrade or restore any natural habitats or critical natural habitats. This policy is not triggered.
Forests OP/BP 4.36	No	The project will not have impacts on the health and quality of forests, nor affect the rights and welfare of people and their level of dependence upon or interaction with forests, nor aim to bring about changes in the management, protection, or

		utilization of natural forest or plantations. This policy is not triggered.
Pest Management OP 4.09	Yes	The proposed project will not support any production activity other than the cost of obtaining certification for the pollution free, green, and organic produces (i.e. approximately RMB15,000 for green certification, and RMB20,000 for organic produce certification), which would lead to reduction of pesticide use in the project area. As such this policy is triggered. Given that absence of significant pest management issues under the project, a stand-alone PMP is not required. EMP includes training for cooperatives to improve agricultural produce quality which likely leads to the reduction of pesticide use.
Physical Cultural Resources OP/BP 4.11	No	The project will not likely affect sites with archeological, paleontological, historical, religious, or unique natural values. Chance finds during construction might occur and relevant clauses will be included in all construction contracts.
Indigenous Peoples OP/BP 4.10	No	Social screening has been done and found that only 1698 of She and Hui minorities live scattered in villages of Anyuan, Huichang, and Taihe counties, accounting for 0.15% of the local total population. These ethnic minorities all speak mandarin Chinese. They live in a similar way as local majority Han people do. Socially and economically they are well integrated with the majority people. And these minorities do not have significant cultural characteristics of their minority. The task team comes to a conclusion that the Bank OP 4.10 IP policy is not triggered in this project.
Involuntary Resettlement OP/BP 4.12	Yes	The Bank involuntary resettlement policy is triggered although all the confirmed civil works of the project will be constructed on existing public land. There may be changes to locations and scopes during project implementation. The project will construct a number of civil works in each project county under component 2. Main civil works are rehabilitation and expansion of existing wholesale markets and establishing new logistic distribution centers/markets for selected farm products, trading space; processing and storage facilities; food safety testing labs; and other complementary facilities. The markets/centers will consist of wholesale market, storage warehouse, logistical hub, sample testing lab facilities for agricultural products, information sharing platform for product distribution and marketing, affiliated service center

		such as catering and parking. The PMOs have confirmed that the currently identified pieces of land to be used by the project are existing public land since July 2011. Nevertheless a RPF has been prepared in order to address additional land acquisition emerging during project implementation. Other measures to address social impacts and risks are included in the action plan of the social assessment.
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any dams as defined under this policy.
Projects on International Waterways OP/BP 7.50	No	The project will not involve international waterways as defined under this policy.
Projects in Disputed Areas OP/BP 7.60	No	The proposed project will not be in a disputed area.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Environmental Assessment (OP4.01): The principal negative environmental impacts are mainly associated with Component 2 which finances the rehabilitation and expanding existing wholesale markets and establishing new logistic distribution centers. The project will support 8 wholesale markets and logistical distribution centers in Jiangxi Province. The centers/whole sale markets will include trading buildings, processing workshops (e.g. produce classification and packaging) and produce storage facilities, and service buildings etc. The market/center would have an average area of about 50,000m². All the center and markets are located in peri-urban areas next to major roads which have been heavily influenced by human activities. The project will cause general construction nuisance (e.g. disposal of spoil, nuisance of dust, noise, wastewater, and disturbance to traffic etc.) during construction phase. During operation the markets will have adverse impacts including disposal of waste and wastewater generated at the markets, increased traffic, and fire safety issues etc.. But none of these impacts is expected to be significant. Adverse impact would be site specific, and limited in nature, and mitigation measures can be designed readily. As such, the project is classified as Category B project.

Pest Management (OP4.09): The proposed project would not support any production activity other than the cost of obtaining the certification for the pollution free, green and organic produce (i.e. approximately RMB15,000 for green certification, and RMB20,000 for organic certification), which would lead to reduction of pesticide use in the project area. As such OP4.09 is triggered. The project will not include any procurement of pesticides or pesticide application equipment; nor introduce any new pest management practices, or expand/alter existing pest management practices; nor lead to substantially increased pesticide use and subsequent environmental and health risks. The construction and operation of the proposed warehouses will not lead to increase usage of pesticides to treat post-harvest pest and diseases. Given that absence of significant pest management issues under the project, a stand-alone PMP is not required. EMP includes training for cooperatives to improve agricultural produce quality which likely leads to the reduction of pesticide use.

Social:

A social assessment has been done for all the Project localities with a comprehensive report. The assessment was done with public consultation in all the confirmed project counties by a professional consulting team. The

social assessment findings have confirmed that there is no presence of ethnic minorities meeting the definition of the World Bank IP term and the Bank OP 4.10 is therefore not triggered. The SA suggests that by Project appraisal stage, all project civil works will be built on existing public land. Thus the Bank involuntary resettlement policy is triggered. Although the currently identified land to be used by the project has been existing public land since July 2011, there may be additional emerging land demands for the civil works during project implementation. Mainly the civil works will include rehabilitation and expansion of existing wholesale markets and establishing new logistic distribution centers for select farm products, trading space; processing and storage facilities; food safety testing labs; and other complementary facilities. The trading markets will consist of a comprehensive wholesale market, storage warehouse, logistical hub, quality test lab facilities for agricultural products, information sharing center for product distribution and marketing, affiliated service center such as catering and parking.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

n/a

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The alternatives for markets/logistic centers' scope and sites have been evaluated in the feasibility study. Project sites for civil works have been carefully selected in terms of avoiding and minimizing land acquisition and resettlement and other adverse impacts.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

An EMP has been prepared for the project in accordance with Environmental Assessment Policy OP4.01. Mitigation measures consist of (i) Environmental Code of Practices (ECOPs) to address general construction related impacts; and (ii) specific mitigation measures during design, construction and operation phase, including: (i) provision of treatment facilities for wastewater, and waste generated from the markets; (ii) provision of adequate traffic management facilities and safety measures; (iii) treatment and disposal of wastewater and waste collected from the markets; (iv) maintenance of safety facilities and emergency plan for accidents. Measures for construction phase will be entered into bidding documents and civil works contracts. The EMP also specified monitoring plan, institutional arrangement and capacity building activities.

Environmental Management Framework: The project may include some small investments (such as post-harvest handling through provisions of investments for farmer cooperatives to collect, sort, store, package, label farm produce, and for farm produce processing) which are not known during project preparation. As such, an EMF has been prepared. The EMF includes, among others: (i) safeguards policies and guidelines and procedures to address environmental issues caused by physical activities financed by the project. Each of the proposed demonstration investments will be screened to identify/define its potential social and environmental impacts; safeguards policies triggered; EA category; safeguards instruments to be prepared; and consultation and disclosure requirements; and (ii) institutional arrangements, and the requirements for capacity building activities and budget.

Social:

A resettlement policy framework is prepared to guide future project land acquisition and resettlement. The SA also shows that future possible land acquisition may arise if the currently identified locations or scope of Project civil work change, some land may be needed for Project temporary use which will be only clear during construction of project implementation. Based on the SA, to address social risks and impacts, two main social documents have been prepared. They are SA report and a resettlement policy framework.

Borrower's Capacity: Project leading groups comprising key line bureaus (e.g. Environment Protection, Agriculture, Finance and Commerce) have been formed at all government levels. A Provincial Project Management Office (PPMO) has been established under the Jiangxi Agricultural Bureau with designated safeguards staff. At city/county level. County/city PMO has been established at county/city Agricultural Bureau under the guidance of PPMO. The provincial PMO and local PMO have received safeguards training during project preparation. Each city/county PMO will designate safeguards staff for safeguards management. During project implementation, safeguards consultants will be engaged to monitor the implementation of safeguards documents. The capacity of borrower is deemed to be satisfactory.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

In accordance with OP4.01 and OP 4.12, public consultations have been conducted during the safeguards preparation process, including meetings with project affected people and local Environmental Protection Bureau. The consultation on the draft safeguards documents was undertaken from 2014 to 2016. Feedback and concerns from the consultation have been addressed in the project design and in the safeguards documents. The safeguards documents were locally disclosed at the governmental website on 24 Nov. 2016 and disclosed on the Bank InfoShop on December 1, 2016. The updated EA safeguards document was re-disclosed locally on January 10, 2017 and on the Bank Infoshop on July 14, 2017.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	24-Nov-2016
Date of submission to InfoShop	14-Jul-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
China	24-Nov-2016
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	11-Nov-2016
Date of submission to InfoShop	01-Dec-2016
"In country" Disclosure	
China	11-Nov-2016
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	A
Date of receipt by the Bank	
Date of submission to InfoShop	
"In country" Disclosure	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why::	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

report?					
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
OP 4.09 - Pest Management					
Does the EA adequately address the pest management issues?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA <input type="checkbox"/>
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA <input checked="" type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement					
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD <input checked="" type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD <input checked="" type="checkbox"/>
The World Bank Policy on Disclosure of Information					
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
All Safeguard Policies					
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA <input type="checkbox"/>

III. Approval

Task Team Leader(s):	Name: Xiaolan Wang	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Surhid P. Gautam (SA)	Date: 02-Aug-2017
Practice Manager/Manager:	Name: William R. Sutton (PMGR)	Date: 03-Aug-2017

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